DOCUMENT RESUME

ED 046 126 EA 003 252

AUTHOR	Bentley, Fred H.
TITLE	Understanding Financial Support of Public Schools, 1970-71. Second Edition.
INSTITUTION	New York State Education Dept., Albany. Bureau of Educational Finance Research.
PUB DATE	Sep 70
NOTE	45p.
EDRS PRICE	EDRS Price MF-$0.65 HC-$3.29
DESCRIPTORS	*Educational Finance, Expenditure Per Student, *Federal Aid, *Financial Policy, School District Spending, School Funds, *State Aid, *State Programs, State Standards

ABSTRACT

This report on school finance in New York State describes the components of general aid: operating expense, growth size correction, budget, high tax, reorganization incentive for compliance with master plan for school district reorganization, minimum aid per district, transportation, and expenses for construction of new buildings and maintenance of old ones. In addition, the report describes the three methods generally used for the allocation of Federal funds and provides a table listing the appropriations under various Federal programs for the 1968-69 and 1969-70 school years. (Author/JF)

ED 046126

UNDERSTANDING
FINANCIAL SUPPORT
OF
PUBLIC SCHOOLS

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
OFFICE OF EDUCATION

THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL OFFICE OF EDUCATION POSITION OR POLICY.

1970-71

EA 003 252

The University of the State of New York
THE STATE EDUCATION DEPARTMENT
Bureau of Educational Finance Research
Albany, New York 12224

September 1970

THE UNIVERSITY OF THE STATE OF NEW YORK

Regents of the University (with years when terms expire)

1984 Joseph W. McGovern, A.B., LL.B., L.H.D., LL.D., D.C.L.,
Chancellor----------New York

1985 Everett J. Penny, B.C.S., D.C.S.,
Vice Chancellor----------White Plains

1978 Alexander J. Allan, Jr., LL.D., Litt.D.----------Troy

1973 Charles W. Millard, Jr., A.B., LL.D., L.H.D.----------Buffalo

1972 Carl H. Pforzheimer, Jr., A.B., M.B.A., D.C.S., H.H.D.------Purchase

1975 Edward M. M. Warburg, B.S., L.H.D.----------New York

1977 Joseph T. King, LL.B.----------Queens

1974 Joseph C. Indelicato, M.D.----------Brooklyn

1976 Mrs. Helen B. Power, A.B., Litt.D., L.H.D.----------Rochester

1979 Francis W. McGinley, B.S., LL.B., LL.D.----------Glens Falls

1980 Max J. Rubin, LL.B., L.H.D.----------New York

1971 Kenneth B. Clark, A.B., M.S., Ph.D., Litt.D.----------Hastings on Hudson

1982 Stephen K. Bailey, A.B., B.A., M.A., Ph.D., LL.D.----------Syracuse

1983 Harold E. Newcomb, B.A.----------Owego

1981 Theodore M. Black, A.B.----------Sands Point

President of the University and Commissioner of Education
Ewald B. Nyquist

Executive Deputy Commissioner of Education
Gordon M. Ambach

Deputy Commissioner of Elementary and Secondary Education

Associate Commissioner for Educational Finance and Management Services
Stanley L. Raub

Assistant Commissioner for Educational Finance and Management Services
John W. Polley

Director, Division of Educational Finance
Anthony J. Capuano

Chief, Bureau of Educational Finance Research
Thomas H. Calvin

FOREWORD

This report is the second edition that has appeared under this title and which replaced the publication "Understanding Problems in School Finance."

The report describes the components of general aid together with a table showing amounts of aid distributed by type of aid for a 3-year period. The components of general aid are 1) operating expense, 2) growth, 3) size correction, 4) budget, 5) high tax, 6) reorganization incentive, 7) save harmless, 8) transportation, 9) building expense, and 10) general urban.

In addition to the explanation of the general aids this report describes the three methods most generally used for the allocation of Federal funds together with a table listing the appropriations under various Federal programs for the 1968-69 and 1969-70 school years.

This report is designed to provide a fairly simplified version of the otherwise complex State aid formulas and to permit the average school district voter, the new school board member, the PTA participant, and other civic organization members to understand the workings of the formula for distribution of State aid to the school districts of New York State.

This report was prepared by Fred H. Bentley, Associate in Educational Finance Research, in the Bureau of Educational Finance Research.

Thomas H. Calvin, Chief
Bureau of Educational Finance Research

GLOSSARY OF TERMS

ADA - Average Daily Attendance. This is defined as the aggregate number of attendance days of pupils in a public school, divided by the number of days of actual session.

WADA - Weighted Average Daily Attendance. This is determined by applying the following weightings to the average daily attendance: half-day kindergarten, .50; full-day kindergarten and grades one through six, 1.00; grades seven through 12, 1.25.

RWADA - Resident Weighted Average Daily Attendance. This is calculated by subtracting the WADA of nonresident pupils attending public school in the district from the district's WADA and adding the WADA of pupils resident in the district but attending full time a school operated by a board of cooperative educational services or a county vocational education and extension board.

FV - Full Value. This is determined by dividing the assessed valuation of taxable real property by the assigned equalization rate of the district. The quotient is generally a larger figure than the assessed value. Assuming that the equalization rates have been accurately established, real property of identical value in separate but similar communities of the State, which had been assessed by diverse local standards, would have the same actual valuation.

Approved Operating Expenses - Operating expenses for the day-to-day operation of the school. Not included are: expenses for building construction, transportation of pupils, expenditures made to purchase services from a board of cooperative educational services or county vocational education and extension board, tuition payments to other districts, and expenses for programs which do not conform to law or regulation.

Approved Operating Expenses - (Continued)

Money received as Federal aid revenue, proceeds of borrowing and State aid for special programs are first deducted from total annual expenditures when computing approved operating expenditures.

Base Year and Current Year -

The expenditures of the immediately preceding school year normally form the base for the determination of operating expenses. This school year is referred to as the base year. The year in which the aid is paid is the current year.

Growth Index -

This is the percent of increase in WADA from the preceding (base) year to the current year (the year in which the aid is paid). It is based on the first attendance period in the fall.

Aid Ratio -

This ratio is computed from full valuation as defined above. It is a reflection of the full real property valuation behind each RWADA, as compared to the State average full valuation per State WADA. For computing aid payable in 1970-71 school year, the 1968-69 school year RWADA and the 1968 full valuation of real property are used, while the State average full valuation per WADA is set at $32,300.

The aid ratio for 1970-71 is determined from the following formula:

$$\text{Aid Ratio} = 1.000 - \left[\frac{\text{Full Valuation per RWADA in district}}{\text{Average Full Valuation per WADA of State ($32,300)}} \times .51 \right]$$

A school district with full valuation per RWADA equal to the statewide average full valuation per WADA would have an aid ratio of .490; this means that the State will share 49 percent of the approved operating expenses of the district, up to the ceiling

Aid Ratio - (Continued)	amount of $860 with the school district paying the other 51 percent. Where valuations are less than the State average, the aid ratio goes up to a maximum of .900; when the district has a higher valuation than the State average, the ratio can go as low as .000.

CONTENTS

Section		Page
I	Operating Expense Aid	1
II	Size Correction Aid	14
III	Growth Aid	18
	A. Pupil Growth	18
	B. Budget Aid	20
IV	Building Expenses Aid	23
V	Transportation Expense Aid	26
VI	Special Conditions Affecting Some Districts	28
	A. High Tax Rate Aid	28
	B. Reorganization Incentive Aid	29
	C. Save Harmless Aid	30
	D. Tax Rate for Aid	31
	E. Special Aids	32
VII	Distribution of State Aid	33
VIII	Federal Aid	35

I

OPERATING EXPENSES AID

Two Basic Concepts

1. Operating Expenditures are for

   a. Superintendents
   b. Teachers
   c. Guidance Counselors
   d. School Nurses
   e. Janitors
   f. Textbooks
   g. Supplies, etc.

2. Money is provided by

   a. The local school district
   b. The State
   c. The Federal Government

Sharing the Costs -- Why?

1. Article XI, Section 1 of the Constitution of the State of New York provides:

   The Legislature shall provide for the maintenance and support of a system of free public schools wherein all of the children of this State may be educated.

   The State therefore made it a matter of policy to set minimum standards to ensure that every boy and girl shall receive a good education.

2. The local school board determines how far beyond these standards it wishes to go, consistent with the wishes of the people.

Sharing the Costs - How?

1. By local taxes -- primarily the real property tax.

2. By State taxes -- personal income, business income, consumer sales, and use taxes.

What Costs Are Shared?

Operating costs, such as teachers'salaries, supplies, etc., required in the regular day-to-day kindergarten through 12th grade program, are shared.

BUT

The State shares only in the first $860 expended per pupil. This is called the operating expense ceiling. This ceiling is established by the State Legislature. Each year the Legislature reviews this ceiling and if an increase is indicated due to the rising costs of education, and with consideration of the availability of funds, a new ceiling is approved.

Sharing the Costs -- Method?

The principle of providing equal funds for every boy and girl in attendance is commonly referred to as the equalization principle.

SO

a. The State pays a relatively high percentage of the costs in poor districts and a relatively low percentage of the costs in wealthy districts.

b. The district levies local taxes to pay the remainder of the cost.

What Is Wealth?

How can it be said that some districts are wealthier than others?

1. The local share comes largely from a tax on real property represented by

   a. factories
   b. houses
   c. business buildings
   d. land

2. The full value of real property varies from district to district.

3. The number of children to be educated varies from district to district.

4. The full value of real property divided by the resident pupils of the district is used as a measure of wealth.

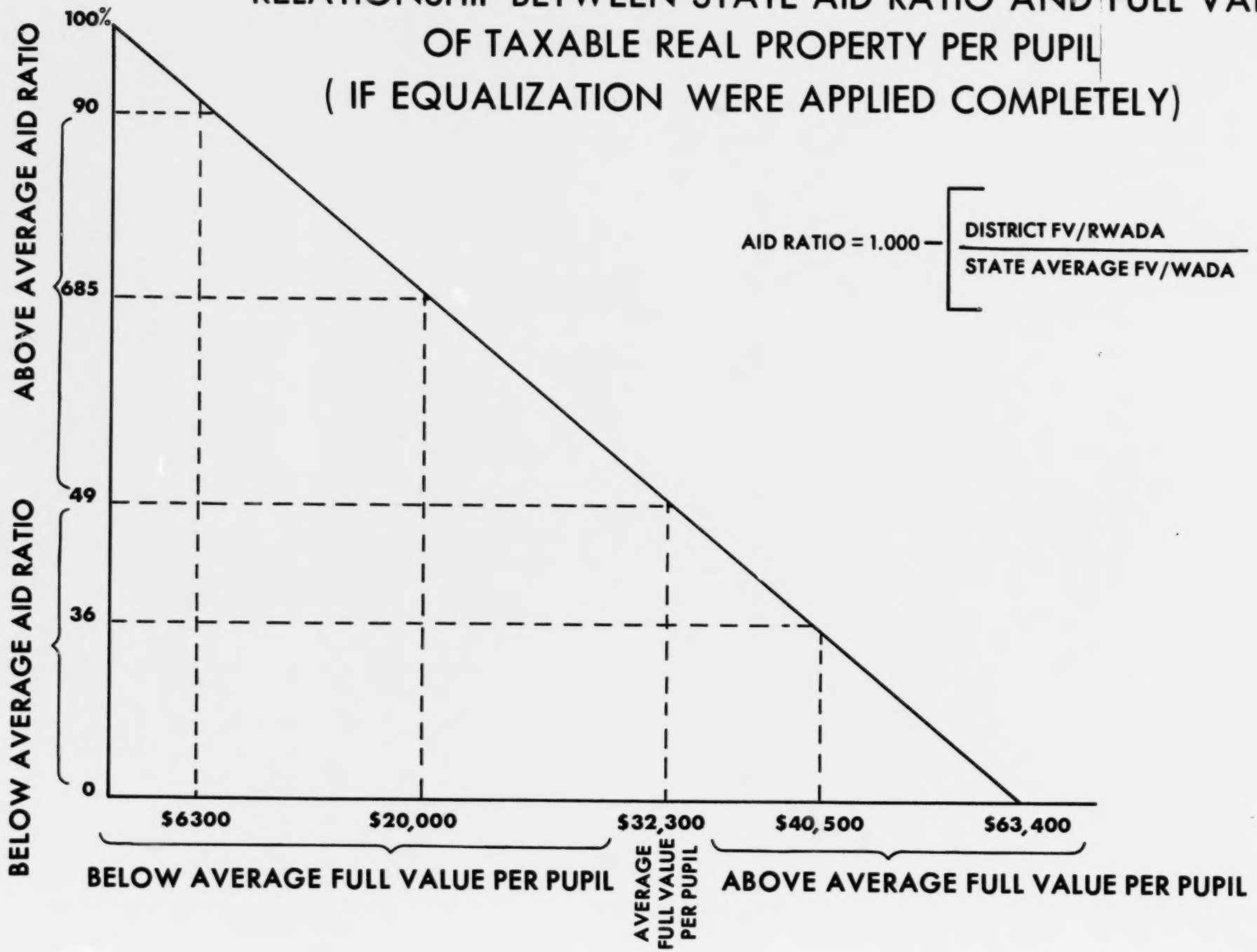
NOW

Chart 1 shows how the State aid formula adjusts for variations in local wealth.

CHART 1

RELATIONSHIP BETWEEN STATE AID RATIO AND FULL VALUE OF TAXABLE REAL PROPERTY PER PUPIL (IF EQUALIZATION WERE APPLIED COMPLETELY)

$$\text{AID RATIO} = 1.000 - \left[\frac{\text{DISTRICT FV/RWADA}}{\text{STATE AVERAGE FV/WADA}} \times .51\right]$$



State Aid Ratio

Observe that:

1. Property (full) value per pupil is shown on the horizontal line, 0 to $63,400.

2. The State aid ratio is shown on the vertical line, 0 to 100 percent.

3. Any point on the solid line (sloping downward from left to right) indicates the State aid ratio corresponding to a given amount of property value per child.

THUS

1. A district with $20,000 in full property value behind each pupil has a State aid ratio of approximately 68.5 percent. (Note that percent is above average on the aid ratio scale while the $20,000 is below average on the full value per pupil scale.)

2. Similarly, a district with full property value of $32,300 behind each child has a State aid ratio of 49 percent. (This is actually the district of average wealth in 1968-69.)

HENCE

1. A district with $20,000 full value per child receives in State aid 68.5 percent of its approved operating expenditures, the remaining 31.5 percent is collected in local taxes. If this district were spending $860 per child the amount per child to be raised locally would be 31.5 percent of $860 or $270.90. Since the property value per child is $20,000, the tax rate per child is $13.55 per $1,000 of full value ($270.90 ÷ $20,000).

2. What would be the tax rate in a district of average wealth if it were spending $860 per child?_____

3. Are the two rates approximately the same?_____

Observe that:

1. The State aid ratio increases as the district full value per pupil decreases.

2. The State aid ratio decreases as the district full value per pupil increases.

3. The State aid formula operates in such a way that all districts with the same level of expenditures would have approximately the same local tax rate.

NOW

1. At what wealth level would there be no State aid?_____

2. What part of the cost of education would be paid by the State in a district with no wealth?_____

BUT

It doesn't work quite that way

BECAUSE

1. No district is deprived entirely of State aid because it is wealthy. The least any district receives is $310 per pupil. This is commonly referred to as operating expense,"flat grant," or "tax sharing."

2. No district may receive more than 90 percent of its expenditures in State aid. An aid ratio of 90 percent corresponds to a district with $6,300 full value per child. Any district with the wealth of $6,300 or less therefore will receive no more than 90 percent of its expenditures in State aid.

NOW

A further limitation on State aid is that:

THE STATE SHARES EXPENDITURES
WITH LOCAL DISTRICTS

TO

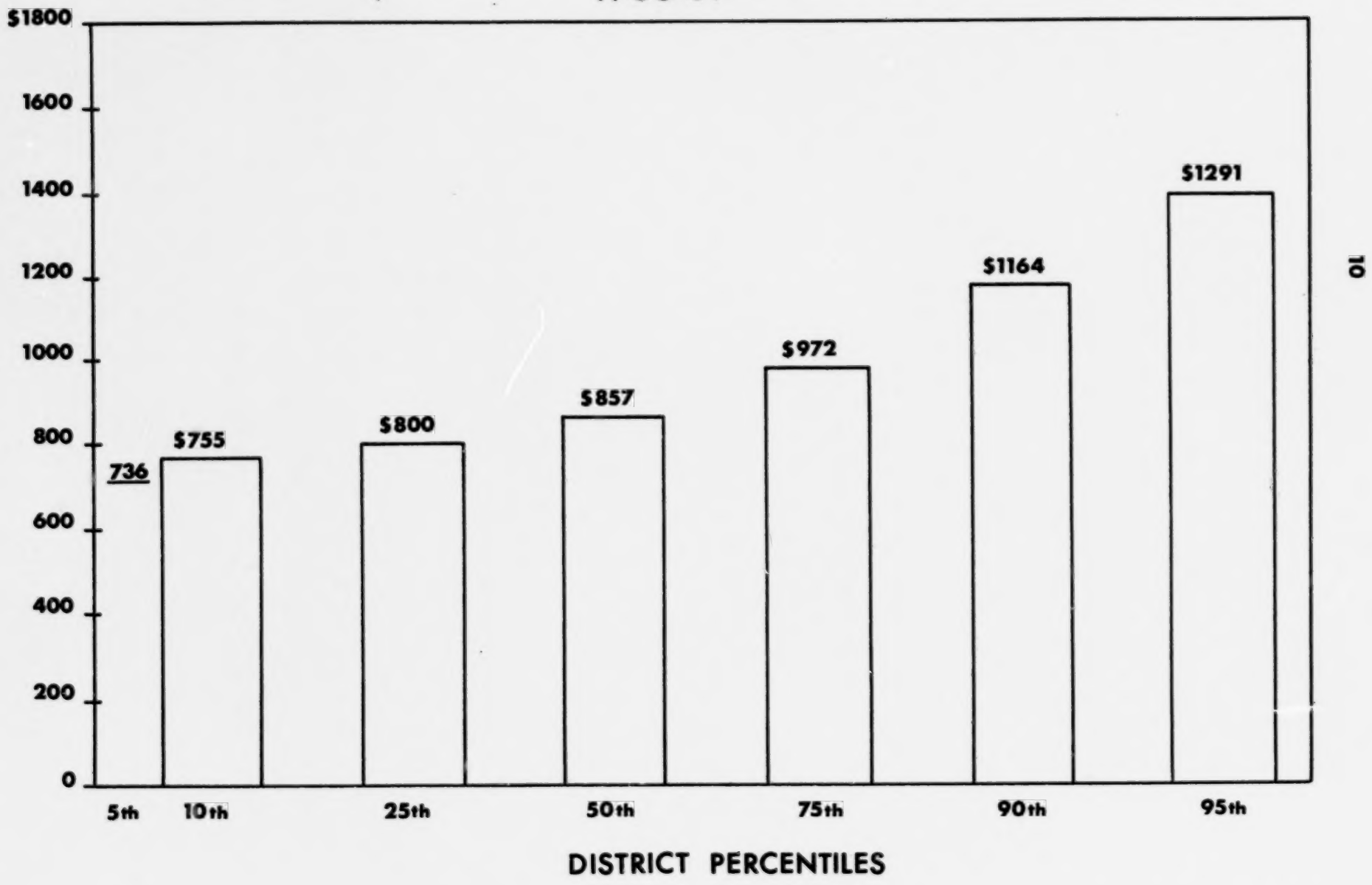
A Maximum of $860 Per Pupil

BUT

Nearly 50 percent of the school districts spent more than $860 per pupil in 1968-69. (Chart 2)

CHART 2

APPROVED OPERATING EXPENDITURES PER PUPIL AT SELECTED DISTRICT PERCENTILES IN NEW YORK STATE 1968-69



Observe that:

1. The per pupil expenditure of districts is measured vertically.

2. The district percentiles are measured horizontally.

3. There are examples of district expenditures at selected percentiles.

ALSO

There are examples of expenditures at various property (full value) levels in 1968-69. (Chart 3)

Observe that:

1. The per pupil expenditure of districts is measured vertically.

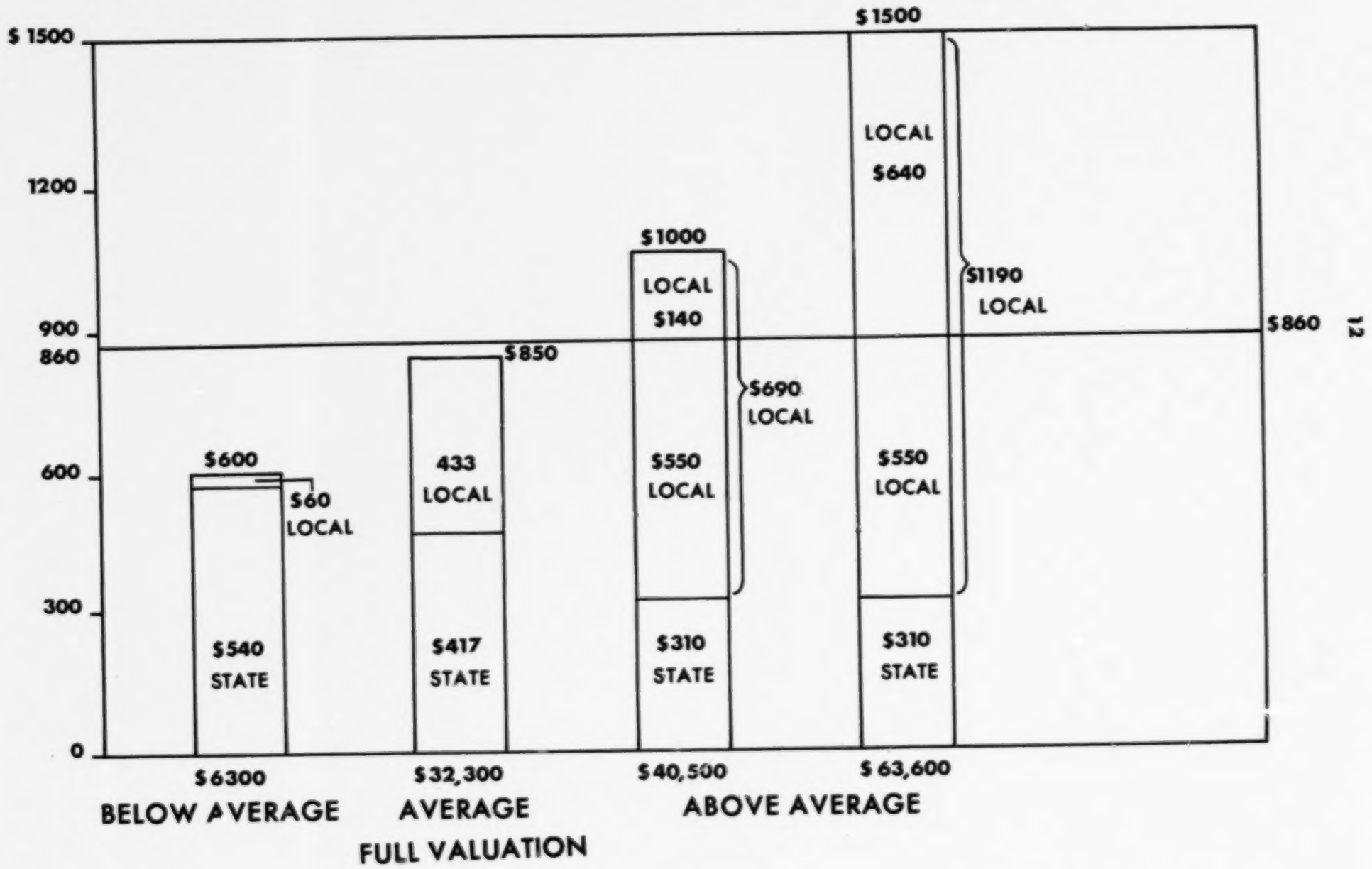
2. The property value per pupil is measured horizontally.

3. Each district expenditure is separated to show the amount of State aid and the amount financed locally.

NOTE THAT

CHART 3

RELATIONSHIP AMONG OPERATING EXPENDITURES, FULL VALUE OF TAXABLE REAL PROPERTY, AND STATE AID IN NEW YORK STATE



1. All districts above $40,500 full value per child receive $310 per pupil in State aid. These are the so-called "flat-grant districts."

2. The remaining districts receive more than $310 per pupil in State aid, and the amount which they receive is inversely related to their wealth. These are the so-called "equalization districts."

3. All districts raise the balance of their expenditures through local taxation, mainly on property.

Observe from the chart that:

1. The expenditure level of low wealth districts is based mostly upon State aid.

2. The high expenditure level of the high wealth districts is based mostly upon local tax resources.

3. Some low wealth districts do not spend as much as $860 per pupil. Some spend more. (Not shown in this chart.)

4. Some of the wealthy districts spend more than $1,400 per pupil.

II

SIZE CORRECTION AID

What Is Size Correction?

1. The purpose of "size correction" is to adjust for "sparsity" or for the added costs of operating small school districts. (Small classes, high staffing ratios, uneconomical organization.)

2. Another purpose of "size correction" is to adjust for "density" or the added costs of operating schools in the six largest cities. (Albany, Buffalo, New York, Rochester, Syracuse, and Yonkers.) These problems arise due to a concentration of handicapped, non-English speaking, culturally deprived pupils, etc.

HOWEVER

3. Although size correction is associated with "sparsity" and "density," most districts have pockets of sparsity or density, thus arguments are made that some correction should be available to each district depending on the size of its pupil population.

How Does It Work?

Districts are divided into four categories based on size of pupil population:

a. 0 - 1,500 pupils

b. 1,500 - 8,000 pupils

c. Over 8,000 pupils (Excluding six largest cities)

d. Six largest cities

1. Districts with up to 1,500 pupils: Size correction is equal to 10 percent of operating expense aid. This adjusted amount per pupil is then multiplied by the number of pupils in the district.

Example:

A district with 1,200 pupils spending $710 per pupil with an aid ratio of 75 percent (and assuming a $760 ceiling)

operating expense aid: $710 x .75 = $532.50

size correction per pupil: $532.50 x .10 = $53.25

2. For districts between 1,500 and 8,000 pupils: size correction is equal to a percentage of operating expense aid. This is 10 percent at 1,500 pupils and diminishes to slightly less than 2 percent at 8,000 pupils. (The actual percentage is 10 percent of the ratio that 1,500 is to the actual number of pupils.)

Example:

A district with 3,000 pupils, operating expense of $710 per pupil, and an aid ratio of 75 percent:

operating expense aid per pupil: $710 x .75 = $532.50

size correction aid per pupil: $532.50 x .10 (1,500/3,000) = $26.63

3. Districts exceeding 8,000 pupils but excluding the six largest cities: size correction is a percentage of operating aid. This range is from approximately 2 percent at 8,000 pupils to 4.5 percent at 22,000 pupils. (The actual percentage is 6 percent minus the ratio of 330 to actual number of pupils.)

Example:

a) A district with 10,000 pupils would receive a size correction equal to 2.7 percent of operating expense aid. (Six percent minus 330/10,000.)

b) A district with 20,000 pupils would receive a size correction of 4.4 percent of operating expense aid. (Six percent minus 330/20,000.)

4. For school districts in cities over 125,000 population (Albany, Buffalo, New York, Rochester, Syracuse, and Yonkers): size correction is equal to 17.5 percent of the sum of operating expense and growth aid.

Example:

A city district with operating expense aid of $1,800,000 and growth aid of $18,000 would be computed:

$1,800,000 operating expense aid
+ 18,000 growth aid

$1,818,000 total x .175 = $318,150 size correction aid

HOWEVER

For 1970-71 aid, size correction aid is a dollar amount:

1. For those districts using the $860 ceiling, it is 50 percent of the districts' 1969-70 size correction aid.

2. For those districts using the $760 ceiling, it is 100 percent of the size correction aid for 1969-70.

III

GROWTH AID

A. PUPIL GROWTH

What Is Growth?

1. The district estimates the number of pupils in attendance for the current year.

2. It compares this total with the number of pupils in attendance the previous year.

3. The number of pupils in excess of the total for the previous year is the growth in pupils for the current year.

SO:

The State says that: For districts that are experiencing

growth in attendance an adjustment will be made to the operating expense aid. This adjustment is called growth aid.

What Is Growth Aid?

It may be recalled that operating expense aid is computed on the basis of the conditions prevailing in the previous school year. Growth aid is therefore a device which permits districts to use the number of pupils in the current year for computing State aid. The following example illustrates:

How Is Growth Aid Computed?

1. Pupils, current year - 110

   Pupils, previous year - -100

   Growth in pupils = 10

   Percent increase = $\frac{10}{100}$ or 10 percent increase from previous year.

2. This percent increase is the adjustment applied against the operating expense aid and thus gives the amount of growth aid.

   operating expense aid - $100,000

   growth 10%

   growth aid = $100,000 x .10 = $ 10,000

III

B. BUDGET AID

Budgeted operating expenditures are operating expenses for the current year as approved by the voters at the annual district meeting or by a board of education in a city school district.

What Is Budget Aid?

We know that operating expense aid is based on the previous year's expenditures.

Budget aid is thus an attempt to calculate State aid on the basis of the current year's expenditures. It is available, however, only to districts spending less than the ceiling amount per pupil in the previous year.

How Much Aid Can A District Get?

Budget aid is not paid on any part of the planned expense per pupil which exceeds the operating expense aid ceiling.

How Does It Work?

The district simply substitutes its current year's expenditure for the previous year's expenditure in computing operating expense aid.

Option 1 - $860 Ceiling

A district with a previous per pupil expense of $720, current year expense of $850 and an aid ratio of 60 percent.

Per pupil operating expense aid current year - $850 x .60 = $510
Per pupil operating expense aid previous year - $720 x .60 = $432
Net budget aid per pupil = $ 78

Option 2 - $760 Ceiling

A district with a previous per pupil expense of $720, current year expense of $760 and an aid ratio of 60 percent.

Per pupil operating expense aid current year $760 x .60 = $456

Per pupil operating expense aid previous year $720 x .60 = 432

Net budget aid per pupil = $ 24

Additional aid under Option 2:

=10% of operating expense aid plus budget aid

$432 operating expense aid
+ 24 budget aid

$456
x 1.10
$501.60 new operating expense aid per pupil

IV

BUILDING EXPENSES AID

What Are Approved Building Expenses?

The expenses connected with construction of new school buildings, additions to present buildings, and the alteration or modernization of buildings, in compliance with standards set by the Department are approved building expenses. For purposes of State aid the State establishes a ceiling based on the rated capacity of the building as approved by the Department; and a per pupil cost allowance as specified in the law.

What Expenses Are Aidable?

1. Debt service payments on indebtedness incurred to finance a building project

2. Cash payments for approved building expenditures

What Is Debt Service?

Debt service payments on the expenditures for principal and interest charges on bonds or notes issued for building construction.

What Are Capital Expenditures?

Capital expenditures are those cash payments for approved building expenditures.

How Does It Work?

1. State aid is available only for school buildings and school bus garages which meet Department approved standards.

2. State aid is computed by multiplying the district's aid ratio by the approved building expenses.

Example:

1. A district with average full value per pupil, an aid ratio of 49 percent, and approved building expenses of $100,000 would receive: $100,000 x .490 = $49,000 building expense aid.

2. A district with a full value per pupil (wealthy district), an aid ratio of .000, and approved building expense of $100,000 would receive: $100,000 x .000 = 0 building expense aid. This is unlike operating expense aid where it would be possible to obtain minimum aid or a "flat grant."

3. A district with a low full value per pupil (poor district), an aid ratio of 90 percent (maximum amount allowed), and approved building expenses of $100,000 would receive: $100,000 x .900 = $90,000 building expense aid.

V

TRANSPORTATION EXPENSE AID

What Are Transportation Expenses?

Transportation expenses are those incurred in transporting all pupils, living over 1.5 miles from school--to and from school once daily. They include expenditures for the operations of buses owned by the district, buses leased by the district under contract, and public service (common carrier) buses.

What Are Approved Transportation Expenses?

For districts owning their buses the typical expenditures are: drivers' wages, gas, oil, tires, chains, maintenance, repairs, storage, water and sewer charges, insurance premiums, tolls, and capital outlay for buses.

Some Expenses That Would Not Be Approved For Transportation Expense Aid:

Transportation for summer school, field trips, athletic trips, excursions, noon trips home to lunch, shuttle trips between schools, and transporting children living less than 1.5 miles from school.

How Does It Work?

The State pays the district 90 percent of the approved transportation expense.

Example:

A district has approved transportation expenses of $100,000; $100,000 x .90 = $90,000 transportation expense aid

VI

SPECIAL CONDITIONS AFFECTING SOME DISTRICTS

A. HIGH TAX RATE AID

What Is High Tax Rate Aid?

In addition to the increase in the ceiling and the other aids passed by the 1970 Legislature, high tax rate aid is continued with some modifications. To qualify, a district needs to have all of the following:

1. A tax rate in 1969-70 of $23 or more on full value
2. A 1969-70 full value per pupil less than $30,000
3. A WADA of 2,000 or more for 1969-70, or a prorated aid if the WADA is less than 2,000

In 1970-71, an estimated 111 school districts will qualify for this aid.

B. REORGANIZATION INCENTIVE AID

What Is Reorganization Incentive Aid?

Under certain conditions districts which have reorganized in compliance with the master plan for school district reorganization since July 1, 1965, and in some instances since July 1, 1962 , are eligible to receive additional aids. These are an additional 25 percent of the regular building expense aid payable and an additional 10 percent of the operating expense aid for a period of 5 years. Thereafter, the 10 percent additional is reduced by 1 percent each year until the additional operating aid is eliminated.

C. SAVE HARMLESS AID

What Is Save Harmless Aid?

To avoid a drastic reduction in State aid because of circumstances beyond the control of the district, legislation provides that a district may not receive less aid than it did in some previous year. At the present time, the base year is 1965-66.

Minimum Total Apportionment

The law provides that a district may elect to receive a fixed amount per pupil in general formula aid. For 1970-71 this amount is specified in the law as $304 per pupil.

D. TAX RATE FOR AID

What Is The Tax Rate For Aid?

To participate fully in the general aid program, a district has to levy an appropriate tax rate.

How Does It Work?

To be eligible to receive maximum general aid, a district must levy local taxes (property and nonproperty) equivalent to the higher of the following two computed tax rates:

1. A tax rate of $11 per $1,000 full value
2. A tax rate equivalent to the rate required to meet the local share for the base year approved operating expenses, not exceeding the operating expense ceiling, of the district of average wealth, $32,300 for 1970-71 aid . If this district was spending $860, the tax rate would be:

Example:

$860 x .51 (district's share) = $438.60

$438.60 ÷ $32,300 FV of district of average wealth

Tax Rate For Aid = $13.58 per $1,000 FV

E. SPECIAL AIDS

In addition to the general aids mentioned previously, the following are the special aids that are disbursed to various districts:

Prekindergarten	Educational TV
Racial imbalance	Reschedule school year
Project ABLE	Textbooks
Project STEP	School lunch
Experimental	Special urban aid

VII

DISTRIBUTION OF STATE AID

The following table shows: 1) type and amount of general formula aid paid to school districts for each of 3 school years, and 2) a breakdown of amounts and type of special aids paid outside of the general formula.

COMPONENT PARTS OF GENERAL AID
PAID TO MAJOR SCHOOL DISTRICTS - 1968-69 - 1970-71
(IN MILLIONS OF DOLLARS)

	Amounts		
	Actual 1968-69	Estimate 1969-70	Estimate 1970-71
Operating Aids			
Operating Expense	$1,385.6	$1,452.7	$1,648.6
Growth	37.4	33.2	39.5
Size Correction	123.2	126.4	112.0
Current Budget	31.1	3.0	9.0
TOTAL	1,577.3	1,615.3	1,809.1
Building	179.0	184.0	193.6
Transportation	104.7	118.5	129.1
Total Formula Aid	$1,861.0	$1,917.8	$2,131.8
Additional Aid Paid Because Of:			
a. Incentive Reorganization	$ 8.6	$ 9.9	$ 11.3
b. High Tax Rate	8.7	15.0	21.6
c. Save Harmless	0.4	0.5	0.3
d. Formula Minimum Grant	0.3	0.3	------
e. Adjustments for Prior Years	9.4	-------	------
f. Former Districts	4.1	-------	------
g. General Urban	-------	-------	0.5
TOTAL	$ 31.5	$ 25.7	$ 33.7
Loss of Formula Aid Because Of:			
a. Expenditure Check	$- 0.3	$- 0.6	$ ------
b. Valuation Check	-------	- 23.0	------
General Aid Paid	$1,892.2	$1,919.9	$2,165.5
Special Aids			
Textbooks	$ 22.2	$ 19.0	$ 20.0
Urban Education	28.0	52.0	52.0
Boards of Cooperative Educational Services	41.0	64.0	72.4
Vocational Education and Extension Boards	1.7	0.1	0.1
School Lunch	18.2	10.7	20.0
Other (Prekindergarten, racial imbalance, etc.)	12.6	12.3	12.3
Total Special Aids	123.7	158.1	176.8
Total General and Special Aids	$2,015.9	$2,078.0	$2,342.3

VIII

FEDERAL AID*

Since Federal aid has tended to develop without an overall plan, acting rather in response to immediate national concerns for education, various methods have been developed for the allocation of Federal funds by the Federal Government. The three methods most generally used are as follows:

Method A -	Allocation of Federal funds directly to State educational agency from United States Office of Education and amount of local educational agency's allocation computed by the State educational agency under formula stipulated in Federal law and Federal Rules and Regulations. This particular allocation method is used under Title I of Elementary and Secondary Education Act.

*For a detailed account of Federal Aid, see Federal Aid Handbook, A Guide to Federal Programs Operated in New York State Local Educational Agencies with an Index to State-Aided Special Programs--Program Guide - 1969 Edition. The University of the State of New York, The State Education Department, Division of Educational Finance, Albany, New York 12224

Method B - Allocation of Federal funds directly to State educational agency from United States Office of Education but amount of local educational agency's allocation not specified by Federal agency. The unused portion of local educational agency's allocation is available for use by another local agency. This allocation method is used, among other acts, for Title II of Elementary and Secondary Education Act, Titles III and V-A of National Defense Education Act, the Vocational Education Act, and the Adult Basic Education Act.

Method C - Allocation of Federal funds not directly to State educational agency but to local educational agency from United States Office of Education based upon individual Federal projects. The unused portion of local education agency's allocation is not available for use by another local agency or project. Federal funds may or may not be channeled through the State educational agency. Acts for which such funds are so channeled include the Manpower Development and Training Act and Title II of the Library Services and Construction Act. Acts for which the Federal funds are channeled through the State educational agency include P.L. 815 and 874.

The following table contains appropriations of Federal funds for the years 1968-69 and 1969-70 by program category:

Program Category	Appropriations 1968-69	1969-70
ESEA - Title I	$113,600,525	$170,301,358
ESEA - Title II	3,900,669	3,465,109
ESEA - Title III	8,601,907	8,250,661
ESEA - Title III (State Administration)	924,974	681,800
ESEA - Title V	147,482	1,477,979
ESEA - Title VIa	1,900,000	2,331,331
NDEA - Title III	4,174,336	1,928,151
NDEA - Title III (State Administration)	156,767	153,851
NDEA - Title Va	930,938	1,165,991
LSCA - Title I	2,267,177	2,356,249
LSCA - Title II	2,507,303	----------
ABE - Title III	2,209,928	3,299,893
EPDA	865,740	931,283
Handicapped (P.L. 89-313)	3,667,892	4,731,630
Delinquent and Neglected (P.L. 89-750)	1,221,635	1,391,328
HEA - Title I	468,850	485,753
Migrant	1,760,849	1,752,115
Federal Welfare	1,475,000	1,500,000

(Concluded)

Program Category	Appropriations 1968-69	Appropriations 1969-70
WIN	$ 7,500,000	$ 7,500,000
Vocational Education - Section 4a	13,747,518	20,730,525
Smith-Hughes	575,316	----------
George-Barden	2,700,384	1,010,377
Work Study	----------	339,615
Disadvantaged (S 102 b)	----------	1,145,363
Appalachian (1 project)	798,960	421,469